



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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November 24, 2025

RBI imposes monetary penalty on Tumkur Grain Merchants Co-operative Bank Limited, Karnataka

The Reserve Bank of India (RBI) has, by an order dated November 20, 2025, imposed a monetary penalty of ₹1 lakh (Rupees One Lakh only) on Tumkur Grain Merchants Co-operative Bank Limited, Karnataka (the bank) for non-compliance with specific directions issued by RBI under 'Supervisory Action Framework (SAF)'. This penalty has been imposed in exercise of powers conferred on RBI under the provisions of Section 47A(1)(c) read with Sections 46(4)(i) and 56 of the Banking Regulation Act, 1949.

The statutory inspection of the bank was conducted by RBI with reference to its financial position as on March 31, 2024. Based on supervisory findings of non-compliance with RBI directions and related correspondence in that regard, a notice was issued to the bank advising it to show cause as to why penalty should not be imposed on it for its failure to comply with the said directions. After considering the bank's reply to the notice and oral submissions made during the personal hearing, RBI found, *inter alia*, that the following charge against the bank was sustained, warranting imposition of monetary penalty:

In non-adherence to directions issued under SAF, the bank had:

- sanctioned fresh loans and advances carrying risk- weight of more than 100%;
- offered interest rates on fixed deposits higher than those offered by the State Bank of India; and
- sanctioned / renewed credit facilities to sector having high level of NPA / defaults.

This action is based on deficiencies in regulatory compliance and is not intended to pronounce upon the validity of any transaction or agreement entered into by the bank with its customers. Further, imposition of this monetary penalty is without prejudice to any other action that may be initiated by RBI against the bank.